



CITY OF FOREST GROVE URBAN RENEWAL PLAN

PART 1

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Prepared For:
CITY OF FOREST GROVE, OREGON

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First Amendment:
Times-Litho Site Acquisition
URA Resolution: 2015-04
June 22, 2015

Second Amendment:
Streetscape Improvement Project
URA Resolution: 2019-02
April 22, 2019

Third Amendment:
21st Avenue Boundary Addition
URA Resolution: 2019-09
October 28, 2019

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I. INTRODUCTION

The Oregon Legislature created a tool for use by cities and counties to strengthen local economies and improve the general investment climate. This tool is often referred to as urban renewal or redevelopment. Urban renewal provides a dedicated source of revenue, called tax increment financing, to fund capital improvement projects in defined areas of a community needing focused investment.

This urban renewal plan is foremost a financing strategy for capital projects intended to stimulate private investment, create jobs, and strengthen property values within the Forest Grove Urban Renewal Area. In general, this urban renewal plan establishes the policy framework for implementing community goals and objectives for the urban renewal area including encouraging business retention and recruitment, job creation, housing, and promoting desirable land use along the Pacific Avenue corridor and within the Town Center. The plan also establishes the guiding goals and objectives for the urban renewal area and identifies potential projects to address needs and opportunities for public and private investment.

The following Urban Renewal Plan (Part 1) and Report (Part 2) have been prepared to implement the desires of the community to establish an Urban Renewal District. The plan has been prepared to comply with State law regarding urban renewal (ORS 457). The plan is to be used in conjunction with the accompanying urban renewal report. The report provides additional detail about existing conditions within the urban renewal area, reasons for selecting the urban renewal area, relationship between the projects identified and existing conditions, project cost and timing and financial analysis including potential impact to overlapping taxing districts.

The urban renewal plan implements the Forest Grove Town Center Plan (1997), Commercial Corridor Plan (2005), Downtown Resource Team Report (2006), Forest Grove Community Vision Statement (2007), and the City's 2009 general economic development strategy. In addition, the urban renewal plan supports the Forest Grove Comprehensive Plan including the goals and objectives for housing, economic development and land use. The area of the district illustrated in Figure 1 (Section II) was selected to achieve the following purpose.

A. Statement of Purpose

The City of Forest Grove Urban Renewal Plan has been prepared to establish an Urban Renewal program within the City. The primary purpose of the Plan is to:

- Further eliminate blight and blighting influences,
- Improve the utilization of land within the Urban Renewal Area,
- Encourage private investment and job creation and,
- Increase the taxable value of property within the City benefitting all overlapping taxing districts.

The Plan is designed to be consistent with the Comprehensive Plan and zoning and development regulations adopted by the Forest Grove City Council. The Renewal Plan is intended to promote public and private investments and activities within the urban renewal area resulting in the efficient use of land and utilization of existing infrastructure capacity. Through implementation of the Plan, economic development will be stimulated by the elimination of blighting conditions, provision of supporting public facilities, and general improvements in the overall appearance, condition, and function of the Town Center, Commercial Corridor and the urban renewal area in its entirety.

The Forest Grove Urban Renewal Plan presented in this document meets the requirements of Chapter 457 of the Oregon Revised Statutes (Appendix 1). The Plan also complies with other federal, state and local laws pertaining to urban renewal plans including Section 1c, Article IX of the Oregon Constitution and the Forest Grove City Charter.

B. Need for Urban Renewal

The success of the urban renewal program is predicated on stimulating private investment within the urban renewal area to eliminate blight and blighting influences, improve the utilization of land and increase the taxable value of property within the City.

The lack of private investment within certain areas may arise from several factors:

- Limited or no available private financing for desired development meeting local objectives;
- High degree of financial risk perceived by lenders and developers;
- Risk/reward relationship is out of balance;
- Project includes significant public benefits without commensurate private financial return; and
- The cost to construct the project exceeds the market value of the project

The public sector, through an adopted urban renewal plan, could help remove some of the obstacles described above to encourage private investment and higher property values within and around the urban renewal area. The projects and programs included in the plan strive to address this need.

The need for urban renewal, including description of existing conditions and reasons for selecting the urban renewal area, are more fully explained in the accompanying Urban Renewal Report (Part 2).

C. Goals and Objectives

The following Goals and Objectives are envisioned for improving the economic health, residential character and aesthetic appearance of the Urban Renewal Area.

Goal 1: Provide opportunities for public participation in the preparation and adoption of urban renewal plans, plan amendments and policies.

Objective 1.1: At the discretion of the Agency establish an urban renewal advisory committee with broad representation to assist the Agency Board of Directors with implementation of the urban renewal program.

Goal 2: Adopt a prudent annual budget to minimize financial risk to the Urban Renewal Agency and the City of Forest Grove.

Objective 2.1: Establish Urban Renewal Agency policies to guide strategic financial investments in the urban renewal area based on public benefit, documented financial need, and scale of the project and accepted underwriting principles.

Objective 2.2: Evaluate tax increment revenue collections annually to minimize long term impacts to overlapping taxing districts.

Objective 2.3: Secure grant funding from regional, state, federal agencies, and private organizations to implement the urban renewal program and supplement tax increment revenue.

Goal 3: Improve the local investment climate by reducing financial barriers to development and redevelopment within the urban renewal area.

Objective 3.1: Capitalize a program to reduce development costs to the extent necessary to encourage private investment for projects proving a public benefit and resulting in appreciation of property values and efficient use of vacant and underutilized land. Development costs could be reduced through techniques such as land write downs, off-site public improvements, direct loans and grants or offset of system development charges, permit fees, or development hard or soft costs.

Goal 4: Promote a vibrant Forest Grove Town Center through strategic urban renewal investments.

Objective 4.1: Establish a program to encourage the preservation, conservation, and adaptive reuse of designated and contributing historic resources in the urban renewal district through improvements to the exterior and interior of buildings.

Objective 4.2: In conjunction with the Economic Development Commission, assist business retention and expansion efforts in the Forest Grove Town Center.

Objective 4.2: Identify a location and assist with funding construction of a public gathering place in the Town Center.

Objective 4.3: Purchase property from willing sellers to implement the urban renewal program.

Objective 4.4: Encourage the construction of needed housing and mixed use development in the Town Center.

Objective 4.5: Encourage uses and amenities that support increased residential uses in the Town Center.

Goal 5: Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

Objective 5.1: Establish incentives to encourage a mixture of land uses including retail, office, and housing at strategic locations along the Pacific Avenue corridor through the creation of nodal development.

Objective 5.2: Work with the Economic Development Commission to market redevelopment opportunity sites to prospective developers.

D. Plan Administration

The City of Forest Grove Urban Renewal Plan consists of the text and exhibits contained in this document and the attached Report. The Plan applies to the specific area outlined in Exhibit 1 and further described in Section II. The Plan has been prepared with the assistance of an Urban Renewal Working Group for adoption by the Forest Grove City Council. The Urban Renewal Agency of the City of Forest Grove shall administer the Plan in accordance with ORS 457, the Oregon Constitution, and all other applicable laws and ordinances. All such applicable laws are made a part of this Plan by reference.

The members of the Forest Grove City Council will serve as the Board of Directors of the Urban City of Forest Grove, Urban Renewal PLAN

E. Effective Period of the Plan

The Plan projects will be completed in twenty years or 2033 from the date of adoption by the City Council. If the projects in this Plan, and any additional projects, added to the Plan, are completed earlier, and all indebtedness is paid, the Urban Renewal Agency and the City Council will take action to terminate the Plan at that time.

If the City Council finds a need for an urban renewal agency no longer exists, the City Council, by ordinance, may dissolve the urban renewal agency. Terminating the urban renewal agency shall not affect any outstanding legal actions, contracts, or obligations of the agency and the City shall be considered a continuation of the agency. The urban renewal agency may not be dissolved unless all indebtedness to which a portion of taxes is irrevocably pledged for payment is fully paid.

F. Definitions

1. **Agency** means the Urban Renewal Agency of the City of Forest Grove, Oregon as authorized by ORS 457.035.
2. **Blighted Areas** are areas which, by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures, or any combination of these factors, are detrimental to the health, safety or welfare of the community. **Blight** shall have the same meaning in this Plan as defined in ORS 457.010(1).
3. **Boundary** means the geographic and legal limits which encompass the Forest Grove Urban Renewal Area.
4. **Certified Statement** means the statement prepared and filed pursuant to ORS 457.430, or an amendment to the certified statement prepared and filed pursuant to ORS 457.430, establishing the total taxable assessed value of property within the urban renewal area.
5. **City** means the City of Forest Grove Oregon.
6. **City Council** means the Forest Grove City Council.
7. **Comprehensive Plan** means the Forest Grove Comprehensive Plan including the coordinated map and policy statements, implementing ordinances, supporting public facility mater plans, and development standards.
8. **County** means Washington County, Oregon.
9. **Disposition and Development Agreement means** an agreement between the Urban Renewal Agency and a redeveloper which sets forth the terms and conditions which govern the transfer, use and development of land.
10. **Fair Reuse Value** means the value of property established by the Urban Renewal Agency taking into account the condition of the property, cost of development, type of development desired and conditions imposed by the Urban Renewal Agency.
11. **Lot** means a unit of land that is created by a subdivision or platting of land and recorded in the land records of Washington County.

12. **ORS** means the Oregon Revised Statutes (State Law and. specifically, Chapter 457. thereof.
13. **Maximum indebtedness** means the amount of the principal amount of indebtedness authorized by the urban renewal plan pursuant to ORS 457.190 and described in Section VI(B).
14. **Public Improvement Plan** means drawings, development standards and/or objectives designed to guide the improvement of public facilities and services in the Forest Grove Urban Renewal Area.
15. **Persons** means any individual, family, business, firm association, or corporate entity.
16. **Plan** means the Forest Grove Urban Renewal Plan consisting of the text and accompanying exhibits.
17. **Project** means any work or undertaking carried out under ORS 457.170 in an Urban Renewal Area.
18. **Projects or Activities** means the development or improvement projects described in Section III herein.
19. **Property Owner** means any individual who owns property within the Forest Grove Urban Renewal Area.
20. **Redeveloper** means any individual or group acquiring property from the Urban Renewal Agency or receiving financial assistance for the physical improvement of privately or publicly held structures and land.
21. **Renewal Area** means the Forest Grove Urban Renewal Area.
22. **Report** means the report accompanying the Plan prepared pursuant to ORS 457.085(3).
23. **State** means the State of Oregon.
24. **Taxing District** means the state, city, county or any other taxing unit which has the power to levy a tax.
25. **Tax Increment Revenue** means that portion of ad valorem property tax proceeds attributable to any increase in the taxable assessed value of property located in an urban renewal area, or portion thereof, over the taxable assessed value specified in the certified statement.
26. **Text** means the Forest Grove Urban Renewal Plan Text for the Forest Grove Urban Renewal Area.
27. **Urban Renewal Advisory Committee** means an advisory body appointed by the Urban Renewal Agency Board of Directors to make recommendations on the urban renewal program including amendments to the urban renewal plan.

II. GENERAL DESCRIPTION OF LAND USE PLAN

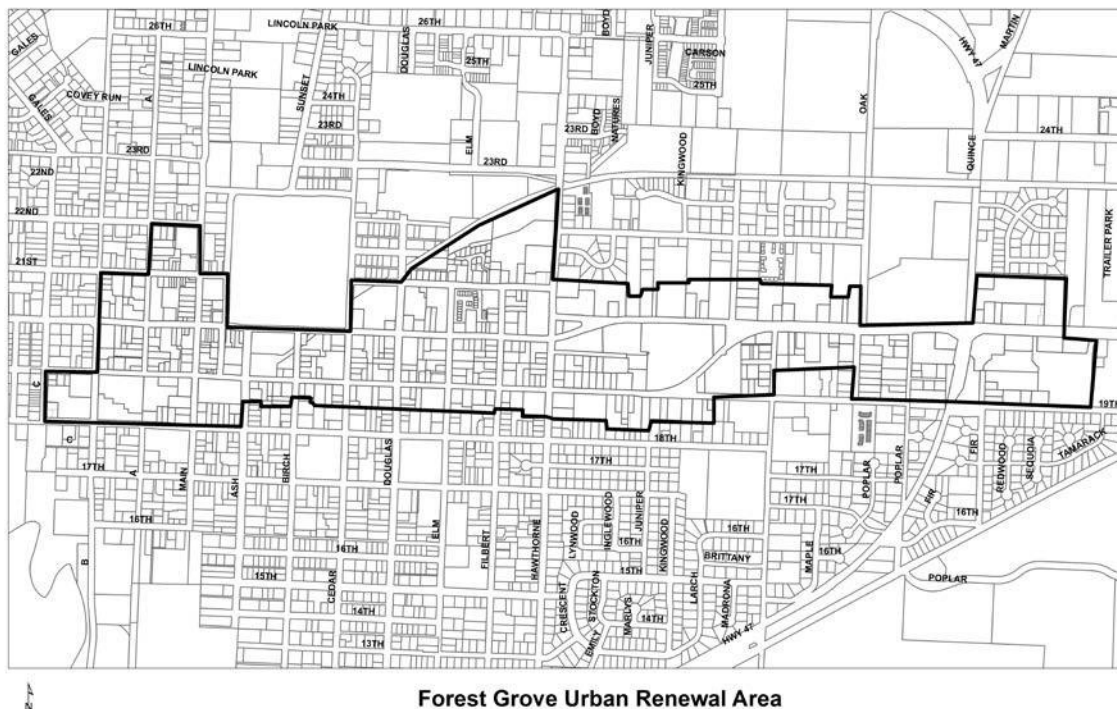
A. Boundary

The City of Forest Grove Urban Renewal District includes land within the City of Forest Grove, only. A legal description is included in Appendix 1.

The Renewal Area encompasses 525 tax lots and a total of 202.1 acres excluding existing public street rights of way.

The Urban Renewal area is a linear area generally including the tax lots with frontage on Pacific Avenue and 19th Avenue beginning at the Rose Grove manufactured home park in the east and terminating at C Street on the west. The district extends north to the existing rail corridor between Hawthorne Street and Douglas Street. The Pacific University campus is immediately west of the area previously described and is not part of the project area. The McMenamin's Grand Lodge property from Quince to Oak on the west is also not included in the district. The primary Town Center area west of the university between 22nd on the north and C Street to the south is within the district. **See Figure 1.**

Figure 1: Forest Grove Urban Renewal Area

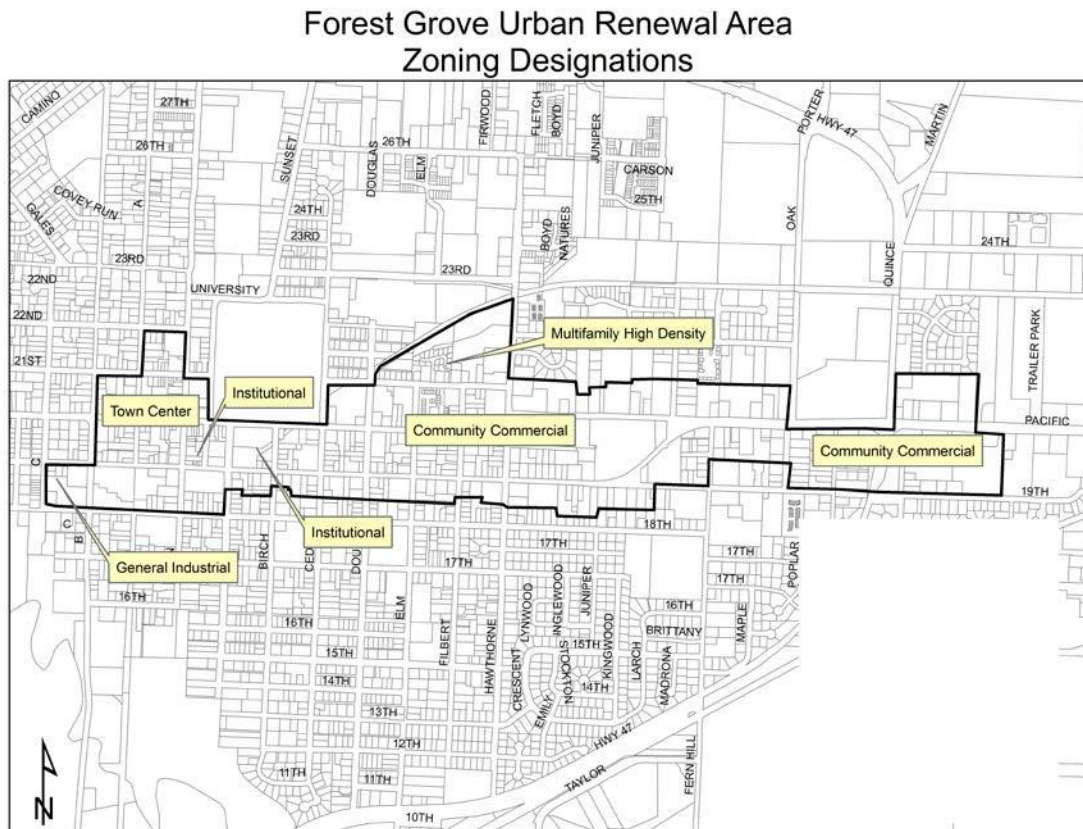


Source: RLIS, City of Forest Grove

B. Land Use Plan, Zoning, Development Standards

The Land Use Plan for the District is based on the City of Forest Grove Comprehensive Plan Map and Zoning Map. (See Figure 2). The proposed land uses within the Forest Grove Urban Renewal District are consistent with the City's Zoning Maps.

Figure 2: Zoning Map, Urban Renewal Area



Source: RLIS, City of Forest Grove

The following table compares the acreage of currently zoned lands within the Urban Renewal Area not including public rights of way.

Figure 3: Land Area by Zoning Designation

<u>Existing Zoning</u>	<u>Area (acres)</u>
Community Commercial (CC)	134.6
Commercial Neighborhood (CN)	0.2
General Industrial (GI)	3.8
Institutional (INST)	4.3
Multi-Unit (High) Residential(RMH)	19.5
Multi-Unit (Low) Residential (RML)	0.6
Town Center Core (TCC)	9.2
Town Center Support (TCS)	21.5
Town Center Transition (TCT)	8.4
Total: Absent Public Right of Way	202.1

The table below shows how land is used within the urban renewal area exclusive of public rights-of-way. Residential uses including both single family and multiple family housing represents the largest land use followed by commercial and office.

Figure 4: Land Area by Land Use (2011)

<u>Existing Land Use</u>	<u>Area (acres)</u>
Commercial and Office	61.4
Industrial	12.1
Institutional	15.3
Multiple Family Residential	34.5
Single Family Residential	36.8
Vacant	42.0
Total: Absent Public Right of Way	202.1

The use and development of the land within the Forest Grove Urban Renewal District shall be governed by the City of Forest Grove Comprehensive Plan and Development Code.

The following text includes the purpose of the zoning districts as well as the uses permitted by the specific zoning district definitions. All of the Forest Grove Urban Renewal Area is located within the City limits and within the Forest Grove portion of the Portland Regional Urban

Growth Boundary (UGB). The City of Forest Grove has designated the land uses for the entire Forest Grove planning area within the UGB in its Comprehensive Plan.

The land areas within the Urban Renewal District boundary are zoned for nine separate districts. The purpose of each district and a summary of the existing development standards follows:

1. **Residential RML** – The RML zone is intended for development of housing at a target density of 12 dwelling units per net acre. Small-lot single family housing, duplexes, attached dwellings and small multi-dwelling residences will be permitted housing types, subject to the density limitations of the zone. A limited range of compatible non-residential uses such as parks and schools are also permitted or allowed with a conditional use permit approval. The RML zone functions as a transition zone between the lower density residential zones and the higher intensity residential and non-residential zones.
2. **Residential RMH** – The RMH zone is intended for development at a target density of 20.23 dwelling units per net acre. Multi-unit residential buildings will be the predominant housing type in this zone. RMH zoning is generally applied near transit streets and adjacent to commercial districts. The RMH zone also allows a limited range of non-residential uses to help provide services for residents and enhance the quality of the higher density neighborhood.

Residential Zone Development Standards – The City of Forest Grove regulates residential development primarily by density rather than minimum lot size. Density is calculated based on net site area. Within the density limits of each of the five residential zones, a variety of housing types and lot sizes are permitted. This approach allows more sites to be developed with the flexibility of a Planned Development.

All residential subdivisions and multi-family developments are required to develop at a minimum of 80% of the targeted density. (§17.3.130 – City Development Standards)

3. **Institutional Zone** – The City of Forest Grove has established an institutional zone (INST) to implement the Public and Semi-Public/Institutional facilities such as campuses, public school sites and associated playgrounds, hospitals, corporation yards, sewer and water treatment facilities and cemeteries. The district is for uses such as governmental services, education facilities, public parks and open space, and other similar activities. Smaller facilities can be found within other appropriate zone districts.

Institutional Zone Development Standards – The development standards for the institutional zone are intended to promote efficient site planning, control the overall scale of buildings, and promote streetscapes that are consistent with the desired character of the neighborhood. (§17.3.220 – City Development Code)

4. **Neighborhood Commercial (CN)** – The CN zone is established to provide for small to medium sized shopping and service facilities adjacent to residential neighborhoods. The district is intended to meet the convenience shopping and service needs of the immediate neighborhood and to have minimal negative impacts on surrounding residential uses. NC zones should be located on arterial or collector streets, preferably at an intersection. NC zones should be spaced at approximately one-half (1/2) mile intervals and each zoned area should be limited to a total size of approximately two (2) acres.
5. **Community Commercial (CC)** – The CC zone is established to promote a concentration of mixed uses – including retail, service, office and residential uses – along the regional transit corridor. The link between land use and transit is intended to result in an efficient development pattern that supports the regional transit system and makes progress in reducing traffic congestion, air pollution and regional greenhouse gas reduction targets. The location, mix and configuration of land uses are designed to encourage convenient alternatives to the auto, a safe and attractive streetscape, and a more livable community.

Commercial Zone Development Standards – The development standards for the commercial zones are intended to promote efficient site planning, control the overall scale of buildings, and promote streetscapes that are consistent with the desired character of the two zones. (§17.3.330 – City Development Code).

6. **Town Center Core (TCC)** – The Town Center Core zone encompasses the traditional downtown core along Main Street. The purpose of this zone is to provide a concentration of retail and office uses in a defined area. Retail, service uses are required on the ground floor with an emphasis on those uses that serve a walk-in clientele. Office and/or residential uses are allowed on upper floors. The design standards for this zone require a continuous storefront facade featuring streetscape amenities for the pedestrian.
7. **Town Center Transition (TCT)** – The Town Center Transition zone is established to increase employment and housing opportunities in close proximity to the Town Center Core. A mix of retail, office, light industrial and residential uses are allowed in the TCT zone, but ground floor retail uses are permitted but not required. Consistent streetscape improvements such as street lighting, street trees and sidewalks will link the Town Center Transition zone with the Town Center Core.
8. **Town Center Support (TCS)** – The Town Center Support zone is established to increase employment and housing opportunities that support the Town Center Core. A mix of office, light industrial and residential uses are allowed in the TCS zone. Ground floor retail uses are permitted but not required. Pedestrian and bicycle improvements will link the Town Center Support zone with the Town Center Core.

Town Center Zone Development Standards – The development standards are intended to promote efficient use of land and more intensive development. The standards establish minimum and maximum building heights and maximum building setbacks to reinforce the

scale and storefront character of existing historic buildings and to support a pedestrian-oriented environment. (§17.3.430 - City Development Code).

9. **General Industrial (GI)** – The GI zone is intended for industrial uses that are generally not compatible with residential development because of their operational characteristics. This district is also intended for uses that may require extensive outdoor areas to conduct business activities or for product storage or display. General industrial uses include those involved in the processing of raw materials into refined products and or/industrial uses that have external impacts. The purpose of this district is to permit the normal operations of any industry that can meet and maintain compliance with established state and federal performance standards. The district is intended to contain supportive retail development. Commercial or retail uses that do not primarily serve the needs of people working or living in the employment and industrial areas are prohibited in this district. New residential uses are not permitted in the GI zone.

The development standards listed in the code are applicable to all development within the Light Industrial and General Industrial zones. Development within these zones shall also comply with all other applicable requirements of this Code, including the general development standards in Article 8. (§17.3.530 - City Development Code).

The City of Forest Grove is currently conducting a Periodic Review of the City's Comprehensive Plan. The updated Comprehensive Plan is expected to be reviewed by the Planning Commission and adopted by the City Council by December 2013.

III. OUTLINE OF PROJECTS & REDEVELOPMENT ACTIVITIES

A. General Redevelopment Outline

The City of Forest Grove is establishing an urban renewal agency and adopting an Urban Renewal Plan to promote private and public investment within the urban renewal area. The plan area is focused on the Forest Grove Town Center and Pacific Avenue/19th Avenue corridor. The area includes the Town Center, Pacific Avenue/19th Avenue corridor and the area surrounding the Quince Street/Oregon Highway 8 intersection.

Urban renewal has been an effective tool for stimulating public and private investment in areas in need of revitalization throughout Oregon. The most effective urban renewal programs are focused with clearly defined goals, objectives and project outcomes. Several policy documents prepared by the City, including the Town Center Plan, Downtown Resources Team Report, and Commercial Corridor Study, identify urban renewal as an appropriate tool for creating a strong and vibrant Forest Grove.

An initial assessment of the financial feasibility of a Forest Grove urban renewal program was recently completed by the Benkendorf Associates Corp. and Johnson Reid, LLC. The assessment was based on very conservative assumptions regarding growth in the taxable value of property. Two scenarios were initially evaluated for feasibility. The first scenario was based on a 2.4% annual increase in the taxable value of property. This growth rate of 2.4% is consistent with the historical average increase within Forest Grove over the past few years. The second scenario reflected a 3.0% annual increase in the taxable value of property. A growth rate of 3.0% is consistent with the typical maximum rate of growth applied to the taxable assessed value of property permitted under state law. The final scenario assumed higher growth of 4.5% per year, to reflect the impact of the urban renewal area in generating greater private investment over time.

Based on the assumptions described above, an urban renewal area including the Forest Grove Town Center and Pacific Avenue corridor could likely generate approximately \$7.5 million to \$16.2 million in tax increment revenue over a twenty year period. Substantial new development and redevelopment will be necessary to generate tax increment revenue in excess of this amount. Expanding the urban renewal boundary or increasing the duration of the urban renewal program are options for potentially increasing tax increment revenue during the life of the Urban Renewal Plan.

The urban renewal plan must identify anticipated projects including estimated cost and timeline for completion. See Section VII of the Urban Renewal Report. The projects include acquisition of redevelopment opportunity sites for purposes meeting the goals and objectives of the urban renewal plan, redevelopment project assistance, a sustainability incentive program, set-aside program for matching funds needed for grants benefitting the urban renewal area and project administration.

The following is a description of each of the possible projects. Unless otherwise stated, the project activities may be undertaken throughout the entire urban renewal district. The Urban renewal agency may undertake projects directly or may provide funding for projects to be undertaken by other public or private parties. The agency may fund projects in part or in whole.

B. Acquisition of Redevelopment Opportunity Sites from Willing Sellers

Under State law an urban renewal agency may purchase property for urban renewal projects including redevelopment of sites or infrastructure improvements. Property acquired by the Agency for private development must be acquired from willing sellers. The use of eminent domain is not authorized by this plan for the purchase of property for private development or redevelopment. The identification of property for acquisition by the Urban Renewal Agency from a willing seller requires a minor plan amendment as outlined in Section VII.

Under state law, the urban renewal agency could redevelop the property, acquired by a willing seller, or dispose of the property to a third party for redevelopment. Methods of acquisition include fee-simple or less-than-fee simple purchases such as easements or leaseholds. Redevelopment opportunity sites for purchase must be identified in the urban renewal plan. At this time the urban renewal plan does not identify any property for acquisition. The urban renewal plan may be amended in the future to identify property for potential acquisition by the Urban Renewal Agency.

The urban renewal report provides examples of development types consistent with the urban renewal plan. Property may be acquired by the Agency for a Town Center plaza, mixed-use development where permitted in the urban renewal area, and off-site infrastructure improvements necessary to support development and redevelopment.

Potential projects on land acquired by the Agency include:

- **Town Center Public Plaza**
- **Transit-Oriented Development**
- **Mixed-Use Development** incorporating housing, retail or office uses
- **Stand Alone Residential Development** addressing documented housing needs
- **Stand Alone Commercial Development** addressing retail and service needs
- **Building Rehabilitation**
- **Site Clearance and Preparation**
- **Environmental Remediation**

C. Redevelopment Project Assistance

Another available tool is urban renewal agency participation in projects meeting the goals and objectives of the adopted urban renewal plan. Urban renewal agency participation could be focused on reducing hard project costs, paying for certain soft costs or reducing financing expenses. The idea is that lowering development costs to induce private investment to pursue a project.

Project hard costs include site preparation, construction expenses, and on- and Off-site infrastructure improvements. Soft costs include pre-development activities such as preparation of market feasibility studies, engineering reports, environmental analysis or traffic impact assessments. Soft costs may also include fees and charges such as Systems Development Charges (SDCs). SDC waivers or write downs are effective ways to reduce project costs through urban renewal participation. Reducing project financing costs could also be achieved through direct low interest loans or grants provided to the project.

D. Exterior Building Improvement Program

The program category would provide funding for improvements to building exteriors such as awnings and canopies, exterior lighting, and exterior improvements intended to generally improve buildings and return historic buildings to their original historic character. This category would also fund seismic upgrades and ADA accessibility improvements up to established per project funding limits.

E. Interior Building Improvement Program

This program category is intended to assist property owners with costs associated with meeting contemporary building code requirements and hard and soft costs related to building rehabilitation/restoration, environmental remediation, ADA accessibility improvements, seismic upgrades, energy efficiency, HVAC, electrical, plumbing, and tenant improvements subject to an executed lease and per project funding limits. Funding for tenant improvements should focus on filling vacant space and creating jobs.

F. Sustainability Incentive Program

Sustainability is a public objective cited in planning documents including urban renewal plans. Sustainability initiatives are often intended to increase the use of raw materials for building and energy production that are developed through sustainable practices. Sustainable practices include features such as bio-swales, green roofs, and pervious surfaces to name a few. Other examples of sustainable practices include the use of wind or solar power for energy generation, purchase of raw materials from local sources, or wood using sustainable timber harvesting practices. In addition, Sustainability initiatives that encourage or support transit may encourage reductions in greenhouse gas production. Meeting these public objectives may increase project costs. Higher costs may be associated with compliance procedures or acquisition of new technologies. A set aside for partial funding of sustainability improvements could encourage meeting sustainability standards. For example, funds could be used for specific sustainability

elements such as installing solar panels, adaptive reuse of existing buildings, or building low or net zero energy buildings.

G. Funds for Matching Grant Opportunities

Many grants are available from private and public sources. Having this funding available would provide the opportunity to leverage urban renewal funds with other sources to complete needed projects. Grant opportunities tend to focus on specific planning activities or capital improvements. Grants typically require a match from the grant award recipient. This program would establish a funding set aside to provide required match for projects meeting urban renewal goals and objectives.

H. Program Administration

This program includes funding for administration of the urban renewal program. Administration includes project management, regulatory compliance, bond issuance expenses and legal expenses.

I. Streetscape Improvement Project

To promote a vibrant urban renewal area, the Plan allows for design and construction of streetscape improvements. Examples of desirable streetscape improvements include installation public art acquisition and placement, festival street design, funding for parklet construction, wayfinding enhancements, street tree replacement and planting, and street furniture such as benches, decorative trash receptacles, planters, kiosks and entryway/gateway signage. Guidelines and standards for specific project elements may be adopted by the Agency by resolution to refine project elements as needed for implementation.”

IV. COMPREHENSIVE PLAN CONSISTENCY

The Forest Grove Urban Renewal Plan was prepared in conformance with the Forest Grove Comprehensive Plan as described below. The urban renewal plan establishes a financing framework to implement key elements of the Comprehensive Plan. As such, there is a direct relationship between the projects identified in the Urban Renewal Plan and applicable Comprehensive Plan goals and policies.

Forest Grove Comprehensive Plan Land Use Element

The Forest Grove Comprehensive Plan Land Use Element, adopted in January 2014, establishes guiding principles, goals, objectives and policies for the use of land within the City's planning area.

Guiding Principles:

Guiding principles relevant to the proposed urban renewal plan include:

- Efficient Use of Land; and
- Strengthen Downtown Forest Grove

The finding below shows how the urban renewal plan conforms to the land use guiding principles.

Finding: The proposed urban renewal plan for the Forest Grove Town Center and Pacific Avenue/19th Avenue corridor conforms to the Land Use Element Guiding Principles contained in the Comprehensive Plan. The urban renewal promotes the efficient use of land by establishing a framework for removing financial barriers to the reuse of buildings, development of vacant land, and redevelopment of underutilized property within the proposed urban area already served by the full array of City services. The proposed urban renewal plan also promotes a strong and vibrant downtown by providing a funding mechanism for and encouraging new housing construction in the Town Center supportive of current and future businesses.

Commercial Land Use Policies and Objectives

The Land Use chapter of the Forest Grove Comprehensive Plan contains policies and objectives for future development in the City. Many of these policies and objectives are supported by the urban renewal plan as described below:

Land Use Objective #4: Designate commercial/mixed-use nodes along the Pacific Avenue/19th Avenue Corridor consistent with the findings contained in the 2005 Commercial Corridor Study.

Finding: The urban renewal area includes the Pacific Avenue/19th Avenue corridor and provides a framework for implementing recommendations contained in the 2005 Commercial Corridor Study. These recommendations include establishing an urban renewal district and promoting mixed-use nodes along the commercial corridor. The following urban renewal plan goal and objectives conform to and support Comprehensive Plan Land Use Objective #4:

Urban Renewal Plan Goal 5:

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

Urban Renewal Plan Objective 5.1:

- Establish incentives to encourage a mixture of land uses including retail, office, and housing at strategic locations along the Pacific Avenue corridor through the creation of nodal development.

Land Use Objective #8: Priority should be given to retrofitting single use commercial and retail developments into walkable, mixed-use areas.

Finding: The urban renewal area includes the Pacific Avenue/19th Avenue corridor. The commercial portion of the corridor is characterized by several auto-oriented commercial and retail developments and two large development sites at the Pacific Avenue/Quince Street intersection that are zoned for commercial uses. The urban renewal plan provides a framework for promoting mixed-use development redevelopment intended to create walkable mixed-use areas by encouraging housing, retail and office uses in proximity. This is supported by the following urban renewal plan goals and objectives:

Urban Renewal Plan Goal 5:

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

Urban Renewal Plan Objective 5.1:

- Establish incentives to encourage a mixture of land uses including retail, office, and housing at strategic locations along the Pacific Avenue corridor through the creation of nodal development.

Land Use Implementation Action #1: The City of Forest Grove will adopt a land use concept that promotes the efficient use of land within the urban growth boundary. Measures to promote the efficient use of land will take into account local land economics and market feasibility.

The urban renewal plan provides a financial framework for encouraging land uses that support the efficient use of land within the urban growth boundary (specifically within the Town Center and along the Pacific Avenue/19th Avenue corridor). The urban renewal plan also establishes financial incentives to improve local land economics and the market feasibility of development in projects consistent with the urban renewal plan.

Land Use Implementation Action #2: The City of Forest Grove will support policies that promote the continued viability of the Forest Grove Town Center as the focal point of the community.

The urban renewal plan establishes a framework for promoting the continued viability of the Forest Grove Town Center as the focal point of the community. This includes establishing financial incentives to encourage the construction of housing units to support Town Center businesses. The urban renewal plan also identifies several projects geared toward improving the Town Center. This includes a building rehabilitation program to assist property owners with improving building facades, converting unused second floor space for residential purposes, dividing large ground floor space for current retailing needs, and upgrading buildings to meet contemporary building codes.

Land Use Implementation Action #3: The City of Forest Grove will support policies that encourage locating complementary land uses in proximity to reduce demand on transportation system and improve overall quality of life of the community.

The urban renewal plan establishes a framework for promoting complementary land uses in proximity. The following urban renewal plan goals and objectives support these efforts:

Urban Renewal Plan Goal 5:

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor. This goal promotes developing complementary land uses in proximity including mixed-use developments.

Urban Renewal Plan Objective 5.1:

- Establish incentives to encourage a mixture of land uses including retail, office, and housing at strategic locations along the Pacific Avenue corridor through creation of nodal development. This objective encourages locating complementary land uses in proximity. Such development supports reducing trip lengths which reduces demand on the transportation system.

Forest Grove Comprehensive Plan Sustainability Element

The Forest Grove Comprehensive Plan includes a sustainability element to promote compact and complete communities and interconnected land uses among other objectives. The urban renewal plan supports the principles, goals and objectives of the Forest Grove Sustainability Element.

The urban renewal plan provides incentives to develop vacant property in the established part of the City. The urban renewal plan also promotes the reuse of buildings within the historic core including unused upper floor space in existing buildings. This infill development supports reducing the long term costs for providing municipal services by encouraging development where services are already in place. This reduces the need to extend services to outlying areas.

The urban renewal plan promotes a compact and land efficient development pattern by encouraging development and redevelopment in the established, historical core, of the community. This type of development promotes financial sustainability by reducing the need to extend city services such as water and sewer to peripheral areas.

Sustainability Goal #1: Support the function and identity of neighborhoods by encouraging communication, strengthening community bonds, local participation and interaction, and encouraging a sense of place through design.

The urban renewal plan provides a framework for supporting the function and identity of an important City neighborhood: The Forest Grove Town Center. The urban renewal plan encourages maintaining the Forest Grove Town Center sense through context sensitive development and redevelopment actions. This is exemplified through the following urban renewal plan goals and objectives:

Urban Renewal Plan Goal 4:

- Promote a vibrant Forest Grove Town Center through strategic urban renewal investments.

Urban Renewal Plan Objective 4.1:

- Establish a program to encourage the preservation, conservation, and adaptive reuse of designated and contributing historic resources in the urban renewal district through improvements to the exterior and interior of buildings.

Sustainability Goal #3: Promote financial feasibility through a compact and land efficient development pattern intended to reduce the long term costs for providing municipal services.

The urban renewal plan establishes a financing framework for promoting compact and land efficient development patterns intended to reduce the long term costs for providing municipal services. The following urban renewal plan goal addresses financial feasibility:

Urban Renewal Plan Goal 2:

- Adopt a prudent annual budget to minimize financial risk to the Urban Renewal Agency and the City of Forest Grove.

The following urban renewal plan goal promotes compact and land efficient development patterns intended to reduce the long term costs for providing municipal services:

Urban Renewal Plan Goal 5:

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

Sustainability Goal #7: Promote interconnected land uses that encourage diverse, accessible and proximate that promote active living and access to vital services including employment, education, and healthy food.

Urban Renewal Plan Goal 5 conforms to Comprehensive Plan Sustainability Goal #7:

Urban Renewal Plan Goal 5

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

Urban Renewal Plan Goal 5 encourages interconnected land uses in proximity. By definition mixed-use development includes a variety of activities such as housing, places of employment and services. Such development is consistent with Sustainability Goal #7.

Sustainability Goal #9: Foster the preservation, construction, and maintenance of an adequate supply of healthful, affordable, resource-efficient, and inclusive housing.

Urban Renewal Plan Objective 4.4 fosters the preservation, construction, and maintenance of an adequate supply of healthful, affordable, resource-efficient, and inclusive housing:

Urban Renewal Plan Objective 4.4:

- Encourage the construction of needed housing and mixed-use development in the Town Center.

Projects supportive of Sustainability Goal #9 includes:

- Acquisition of Redevelopment Opportunity Sites from Willing Sellers
- Redevelopment Project Assistance; and
- Interior Building Improvement Program

Sustainability Goal #10: Promote the preservation and reuse of historic resources, including buildings, structures, sites neighborhood districts, and cultural landscapes to assist in the retention of local, regional, and national history and heritage, reinforcement of community character, and conservation of material resources.

The urban renewal plan promotes the preservation and reuse of historic resources through Urban Renewal Plan Objective 4.1:

Urban Renewal Plan Objective 4.1:

- Establish a program to encourage the preservation, conservation, and adaptive reuse of designated and contributing historic resources in the urban renewal district through improvements to the exterior and interior of buildings.

The urban renewal plan also includes two projects related to building improvements. One project promotes exterior building improvements such as installation of awnings and canopies, exterior lighting and improvements intended to return buildings to their original historic character. The other building improvement program focuses on interior building improvements to meet contemporary building code requirements, tenant improvements focusing on filling vacant space and creating jobs and ADA accessibility improvements as examples.

Sustainability Goal #21: Promote efforts to improve access to housing meeting household needs.

The urban renewal plan supports efforts to improve access to housing meeting household needs. Specifically Urban Renewal Plan Objective 4.4 states:

Urban Renewal Objective 4.4:

- Encourage the construction of needed housing and mixed-use development in the Town Center.

Several projects contained in the urban renewal plan also support efforts to improve housing access. These projects include acquisition of redevelopment opportunity sites from willing sellers and redevelopment project assistance. These projects support housing since housing is an eligible activity for urban renewal funding on property acquired by the Urban Renewal Agency. In addition, urban renewal funding may be used to improve the financial feasibility of housing projects through system development charge reductions and offsets, loans, or grants.

Sustainability Goal #22 Promote a balanced transportation system increasing opportunities for bicycling and walking throughout the community.

The urban renewal plan does not address transportation directly. However, the urban renewal plan promotes development and redevelopment supportive of a balanced transportation system including increasing opportunities for bicycling and walking. For example, the urban renewal plan promotes mixed-use and nodal development with complementary uses placed in proximity. Such development patterns reduce travel distances increasing opportunities for walking or bicycling to destinations.

Sustainability Policy Measure #5: Establish a program to provide incentives for use of low impact design techniques such as bio-swales, rain gardens, porous pavement, green streets, or other generally accepted techniques in new developments.

The urban renewal plan provides a framework for promoting the use of low impact design techniques. This is accomplished through the “Sustainability Incentive Program” described in

the plan. This program would provide financial resources for use of sustainable building practices such as the techniques described above. Urban renewal funding may also be used for solar energy enhancements for energy generation or constructing low or net zero energy buildings.

Forest Grove Comprehensive Plan Housing Element

The Housing Element of the Forest Grove Comprehensive Plan includes several policies related to the urban renewal plan for the Town Center and Pacific Avenue/19th Avenue corridor. The Comprehensive Plan policies and findings supporting conformance of the urban renewal plan with the Comprehensive Plan are summarized below:

Housing Policy 10.1.5: Implement codes and ordinances to encourage the development of passed-over and underutilized land for residential development.

The urban renewal plan includes goals, objectives, and projects to encourage the development of passed-over and underutilized land for residential development as identified below:

Urban Renewal Plan Goal 3:

- Improve the local investment climate by reducing financial barriers to development and redevelopment within the urban renewal area.

Urban Renewal Plan Objective 3.1:

- Capitalize a program to reduce development costs to the extent necessary to encourage private investment for projects proving a public benefit and resulting in appreciation of property values and efficient use of vacant and underutilized land. Development costs could be reduced through techniques such as land write downs, off-site public improvements, direct loans and grants or offset of system development charges, permit fees, or development hard or soft costs.

Urban Renewal Plan Objective 4.4:

- Encourage the construction of needed housing and mixed use development in the Town Center.

Urban Renewal Plan Objective 4.5:

- Encourage uses and amenities that support increased residential uses in the Town Center.

Housing Policy 10.2.1: Establish incentive programs to leverage local resources with private investments. Incentives may take the form of direct financial participation (grants or loans), or indirect participation such as land write-downs.

The urban renewal plan includes financial incentive programs to leverage local resources with private investments through direct public participation, low interest loan and grant programs and land write-downs. Urban Renewal Plan goals and objectives support Housing Policy 10.2.1 including:

Urban Renewal Plan Goal 3:

- Improve the local investment climate by reducing financial barriers to development and redevelopment within the urban renewal area.

Urban Renewal Plan Objective 3.1:

- Capitalize a program to reduce development costs to the extent necessary to encourage private investment for projects providing a public benefit and resulting in appreciation of property values and efficient use of vacant and underutilized land. Development costs could be reduced through techniques such as land write downs, off-site public improvements, direct loans and grants or offsets of system development charges, permit fees, or development hard or soft costs.

Housing Policy 10.2.2: Evaluate the feasibility of establishing a tax increment financing district or Vertical Housing Development Zone to promote residential and mixed-use development within the Forest Grove Town Center, identified high capacity transit station areas, and mixed-use target areas along the Pacific Avenue commercial corridor.

Adoption of the urban renewal plan will establish a tax increment financing district including the Forest Grove Town Center and Pacific Avenue commercial corridor between the Town Center and just east of Quince Street. Several urban renewal plan goal and objectives support Housing Policy 10.2.2 as described below:

Urban Renewal Plan Objective 4.4:

- Encourage the construction of needed housing and mixed use development in the Town Center.

Urban Renewal Plan Goal 5:

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

Urban Renewal Plan Objective 5.1:

- Establish incentives to encourage a mixture of land uses including retail, office, and housing at strategic locations along the Pacific Avenue corridor through the creation of nodal development.

Housing Policy 10.4.1: Develop and implement programs to offset the increasing cost of new housing construction. Programs may include, but are not limited to, reductions in building permit fees, development impact fees, or property taxes for affordable housing meeting US Department of Housing and Urban Development Low Income Housing Tax Credit program requirements.

Urban Renewal Plan Goal 3 and Objective 3.1 support Housing Policy 10.4.1 by providing opportunities to reduce development costs for new housing:

Urban Renewal Goal 3:

- Improve the local investment climate by reducing financial barriers to development and redevelopment within the urban renewal area.

Urban Renewal Objective 3.1:

- Capitalize a program to reduce development costs to the extent necessary to encourage private investment for projects proving a public benefit and resulting in appreciation of property values and efficient use of vacant and underutilized land. Development costs could be reduced through techniques such as land write downs, off-site public improvements, direct loans and grants or offset of system development charges, permit fees, or development hard or soft costs.

Forest Grove Comprehensive Plan Urbanization Element

The urban renewal plan is consistent with the Urbanization Element of the Forest Grove Comprehensive Plan. Specifically the urban renewal plan addresses the following urbanization goals and policies:

Urbanization Goal 1: Land shall be made available within the urban growth boundary to meet all local urban land use needs.

The urban renewal plan promotes Comprehensive Plan Urbanization Goal 1 by encouraging the productive use of land that is currently vacant or underutilized within the urban renewal district. The following urban renewal goals support this objective:

Urban Renewal Plan Goal 5:

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

The urban renewal plan also supports Comprehensive Plan Urbanization Policy 10. Urbanization Policy 10 is stated below:

Urbanization Policy 10: The City of Forest Grove will continue to promote the efficient use of land within the Forest Grove Town Center and any areas designated as transit station communities on the Forest Grove Comprehensive Plan land use map.

The urban renewal plan supports Urbanization Policy 10 by establishing financial incentives intended to encourage the development of vacant sites within the urban renewal area for housing, retail and mixed-use development. The urban renewal plan also supports Urbanization Policy 10 by encouraging the redevelopment of underutilized sites and buildings.

Forest Grove Comprehensive Plan Economic Development Element

The Forest Grove Comprehensive Plan includes several guiding principles related to the local economy and economic development. The urban renewal plan supports the following guiding principles as described below:

Guiding Principles

- Strengthen Forest Grove's economic competitiveness;
- Improve job opportunities for current and future residents; and
- Promote local shopping opportunities

The urban renewal plan supports the guiding principles identified above by reducing financial risk and barriers to redevelopment. Reducing financial risk and barriers to development in turn helps improve Forest Grove's economic competitiveness. Improving economic competitiveness will improve job opportunities for current and future residents through new private investment in the community. The urban renewal plan also promotes private investment in housing and non-residential construction in the Town Center and along the Pacific Avenue corridor. Additional housing opportunities will result in a larger population base and more jobs in the urban renewal area thereby supporting local shopping opportunities consistent with the guiding principle identified above.

Urban Renewal Plan Goal 3 and Objective 3.1, identified below, also support the Economic Development Guiding Principles identified above:

Urban Renewal Plan Goal 3:

- Improve the local investment climate by reducing financial barriers to development and redevelopment within the urban renewal area.

Urban Renewal Objective 3.1:

- Capitalize a program to reduce development costs to the extent necessary to encourage private investment for projects proving a public benefit and resulting in appreciation of property values and efficient use of vacant and underutilized land. Development costs could be reduced through techniques such as land write downs, off- site public improvements, direct loans and grants or offset of system development charges, permit fees, or development hard or soft costs.

Economic Development Goal 9.7: Promote the Forest Grove Town Center as the focal point of the Community.

The urban renewal plan supports the Economy Goal 9 to promote the Forest Grove Town Center as the focal point of the community. The following urban renewal plan goal and objectives address Economic Development Goal 9.7:

Urban Renewal Plan Goal 4:

- Promote a vibrant Forest Grove Town Center through strategic urban renewal investments.

Urban Renewal Plan Objective 4.1:

- Establish a program to encourage the preservation, conservation, and adaptive reuse of designated and contributing historic resources in the urban renewal district through improvements to the exterior and interior of buildings.

Urban Renewal Plan Objective 4.2:

- Identify a location and assist with funding construction of a public gathering place in the Town Center.

Economic Development Policy 9.7.3: Identify key properties that are underutilized in the Town Center and assist owners with marketing these assets.

The urban renewal plan establishes incentives for redevelopment of key underutilized properties within the Town Center. To this end the urban renewal plan contains several goals and objectives related to the redevelopment of underutilized sites in the Town Center.

Urban Renewal Goal 4:

- Promote a vibrant Forest Grove Town Center through strategic urban renewal investments.

Urban Renewal Goal 5:

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

Urban Renewal Objective 5.1:

- Establish incentives to encourage a mixture of land uses including retail, office, and housing at strategic locations along the Pacific Avenue corridor through the creation of nodal development.

Urban Renewal Objective 5.2:

- Work with the Economic Development Commission to market redevelopment opportunity sites to prospective developers.

Economic Development Policy 9.7.5: Evaluate the feasibility of establishing a tax increment financing (urban Renewal) district to encourage commercial investment, building rehabilitation and mixed-use development in the Town Center.

Adoption of the urban renewal plan will establish a tax increment financing district including the Forest Grove Town Center and Pacific Avenue commercial corridor between the Town Center and just east of Quince Street.

Urban Renewal Objective 4.4:

- Encourage the construction of needed housing and mixed use development in the Town Center.

Urban Renewal Goal 5:

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

Urban Renewal Objective 5.1:

- Establish incentives to encourage a mixture of land uses including retail, office, and housing at strategic locations along the Pacific Avenue corridor through the creation of nodal development.

Economic Development Policy 9.7.6: Develop an outdoor community gathering place in the Town Center that provides a multi-use area for various community functions.

The urban renewal plan reinforces the need for an outdoor community gathering place in the Town Center through urban renewal plan Objective 4.2.

Urban Renewal Objective 4.2:

- Identify a location and assist with funding construction of a public gathering place in the Town Center.

Economic Development Policy 9.7.11 Promote investment in urban living infrastructure amenities to enhance livability in the Town Center.

The urban renewal plan supports Comprehensive Plan Economic Development Policy 9.7.11 that promotes investment in urban living infrastructure amenities to enhance livability in the Town Center. Specifically, urban renewal plan Objective 4.2 supports the concept of a public gathering place in the Town Center as an amenity to enhance livability in the Town Center. In addition, the urban renewal plan authorizes the use of funds for on- and off-site infrastructure improvements to assist development and redevelopment projects.

Urban Renewal Objective 4.2:

- Identify a location and assist with funding construction of a public gathering place in the Town Center.

Economic Development Policy 9.7.12 Encourage uses in the Town Center to bring residents from throughout the City into the Town Center.

Urban renewal plan Goal 4 promotes investments in the Town Center to bring residents from throughout the City into the Town Center. Specifically, urban renewal plan Goal 4 promotes a vibrant Town Center through strategic urban renewal investments. Urban renewal plan Objective 4.2 encourages construction of a public gathering place in the Town Center. A well-designed gathering place will encourage residents from throughout the City, and elsewhere, to visit the Town Center.

Urban Renewal Goal 4:

- Promote a vibrant Forest Grove Town Center through strategic urban renewal investments.

Urban Renewal Objective 4.2:

- Identify a location and assist with funding construction of a public gathering place in the Town Center.

Consistency with Forest Grove Comprehensive Plan Designations

The urban area is designated with several Comprehensive Plan classifications. These classifications include:

- Town Center Core;
- Town Center Support;
- Town Center Transition; and
- Community Commercial

The urban renewal plan promotes mixed-use, retail and housing development within the urban renewal area. This type of development is consistent with the Comprehensive Plan designations. Therefore, the urban renewal plan conforms to and is supportive of the Comprehensive Plan designations.

V. PROPERTY ACQUISITION AND RELOCATION PLAN

A. Property Acquisition

The establishment of the Forest Grove Urban Renewal Plan provides the opportunity for property in the District to be acquired and redeveloped. In the future, if properties are identified for acquisition by the Urban Renewal Agency, the Plan will be amended to specifically indicate which properties will be acquired and the intended use.

Acquisition and redevelopment may result in the displacement of businesses and possibly residents. In the event of displacement, the Agency will establish a Relocation Policy which will call for the Agency's assistance to those residents and businesses displaced. Such assistance may include providing information regarding suitable locations, payments of moving expenses and other reimbursements, as deemed necessary.

Property acquired by the Agency for private development must be obtained from willing sellers. The use of eminent domain is not authorized by this plan for the purchase of property for private development or redevelopment from unwilling sellers. The identification of property for acquisition by the Urban Renewal Agency from a willing seller requires a minor plan amendment as outlined in Section VII.

The Urban Renewal Agency reserves the right to acquire property for public infrastructure improvements, from willing sellers or unwilling sellers, through eminent domain if necessary and allowed by ORS 35.015. Purchase of property from unwilling sellers will be processed as a major amendment to the plan as outlined in Section VII.

All relocation activities will be undertaken and payments made in accordance with the requirements specified in the ORS 35.500 et seq.

B. Property Disposition

The Urban Renewal Agency is authorized to sell, lease, exchange, subdivide, transfer, assign or otherwise dispose of any interest in real property which has been acquired in accordance with the urban renewal plan and State law.

The urban renewal agency is authorized to make land available at its "fair reuse value" as allowed by ORS 457.230(1). The fair reuse value is set by the urban renewal agency in order so that the land may be developed, redeveloped, cleared, conserved, or rehabilitated for specific uses to be permitted on the real property. The Agency will adopt policies and procedures for disposing of Agency property.

State law requires that an urban renewal agency, upon sale or lease of land for redevelopment, require that the redeveloper use the land for purposes called for in the plan and begin the improvements within a reasonable amount of time. Such requirements will be outlined in a Disposition and Development Agreement for Agency approval.

VI. METHODS OF FINANCING

A. General Description of Financing Methods

In keeping with ORS 457.190, the designated Urban Renewal Agency may borrow money and accept advances, loans, grants and any other form of financial assistance from the federal government, the state, the county or other public body, or from any sources, public or private, for the purposes of undertaking and carrying out the projects and intents of this Plan. This Plan also authorizes any other financing methods, public or private, allowed to an Urban Renewal Agency under ORS 457.

The primary anticipated source of funding for carrying out this Plan and its projects, in part or in whole, is Tax Increment Financing as authorized in Section 1c, Article IX of the Oregon Constitution and ORS 457. This Plan allows for a division of ad valorem taxes under ORS 457.420 to 458.460. The division of ad valorem taxes does not reduce or otherwise impact property tax revenue collected as the result of the City of Forest Grove's local option levy or to repay bonded indebtedness approved by taxing districts.

Revenues obtained by the Agency will be used to pay or repay costs, expenses, advancements and indebtedness incurred in planning or undertaking project activities or otherwise exercising any of the powers granted by ORS Chapter 457 in connection with the implementation of this Plan.

B. Maximum Indebtedness

The maximum indebtedness as set in this Plan shall be \$15,000,000. This amount is the principal of such indebtedness necessary for project activities identified in the plan. The maximum indebtedness is based on good faith estimates of the scope and costs of projects including but not limited to increases in costs due to reasonably anticipated inflation. The maximum indebtedness amount does not include interest or indebtedness incurred to refund or refinance existing indebtedness.

In keeping with ORS 457.190(4)(d) the total maximum indebtedness may be increased annually on July 1 of each year to reflect inflation of construction and other costs involved in the Plan projects. The amount of inflation which has occurred since initial adoption shall be calculated using the Consumer Price Index.

C. Prior Indebtedness

Any indebtedness permitted by law and incurred by the City or the Urban Renewal Agency in connection with preplanning for this Plan may be repaid from tax increment revenues from the Area when and if such funds are available.

VII. URBAN RENEWAL PLAN AMENDMENTS

The Plan anticipates the possibility of plan amendments becoming necessary in response to future changes in economic conditions, land use, and other factors. The three types of plan amendments are described below.

A. Substantial Amendments

In accordance with ORS 457.220, any substantial amendment to the Plan shall, before being carried out, be approved and recorded in the same manner as called for in the original urban renewal plan adopted under the requirements of ORS 457.085.

For the purposes of the document, “substantial amendment” means:

- Adding land to the urban renewal area, except for an addition of land that totals not more than one (1) percent of the existing area of the Forest Grove Urban Renewal Area.
- Increasing the maximum amount of indebtedness that can be issued or incurred under the Urban Renewal Plan.
- Additions of a project, other than those specifically listed, that exceed an estimated \$500,000 in project cost.
- Extending the term of the Urban Renewal Plan for the District.

B. Major Amendments

- Identification of property for an infrastructure project requiring the use of eminent domain.

Major amendments to the plan shall be approved by the City Council by adoption of an ordinance.

C. Minor Amendments

All amendments or changes in this Plan which are not Substantial Amendments or Major Amendments as specified above shall be considered Minor Amendments. Minor amendments to the Plan shall be approved by Resolution of the Urban Renewal Agency.

Presentation of any amendment to the Urban Renewal Agency or City Council shall be accompanied by the recommendations of staff and/or the Forest Grove Urban Renewal Advisory Committee. Any amendments to planned uses which result from amendment of the underlying Comprehensive Plan designations or Zoning District standards will be considered minor amendments to the Renewal Plan. They are designated minor because the City’s process for Zoning District Code Text and Comprehensive Plan Map amendments requires analysis, public involvement and adoption by Ordinance in a Council public hearing.